

Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Office of Consumer and Business Education

BORDER-LINE SCAMS ARE THE REAL THING

Thousands of Americans are losing money every day to scam artists operating beyond the boundaries of the United States. In many cases, these international crooks are sitting across the border in Canada — just far enough away from U.S. laws and jurisdiction to reduce the chances that American victims will ever recover their money.

Through telemarketing and print ads, cross-border scam artists offer advance-fee loans, lucrative sounding investment opportunities, and bogus prize promotions. Foreign lottery ticket resales also lure Americans to buy phony “low-risk” chances in supposed high-stakes lotteries. Victims of these scams not only lose their money, but also risk violating federal law, which generally prohibits playing lotteries by mail or phone.

Cross-border scams seem to be a growth industry. According to the Federal Trade Commission’s consumer complaint database, Quebec, Ontario and British Columbia now rank second, fourth and 13th among states and provinces as a geographic source of fraudulent telemarketing activity. U.S. law enforcement agents say that con artists may be setting up shop in neighboring countries to avoid prosecution under the Telemarketing Sales Rule, which has been


in effect since Dec. 31, 1995. The law sets operating standards for legitimate telemarketers, spells out stiff penalties for fraudulent ones, and for the first time, gives state law enforcement agents the power to prosecute across state lines.


Although the Federal Trade Commission and state governments have joined forces to present a united front in the fight against telephone fraud by sharing information and resources, consumers still are in the best position to spot — and stop — these kinds of scams. Identifying cross-border fraud can be daunting. The reasons: con artists based in Canada often give a “mail drop” address in a U.S. city. In addition, Canada and most Caribbean island nations use telephone area codes that are integrated with the U.S. phone system and accessible by direct dialing, without long, cumbersome, and obvious foreign “country-codes.”


Here’s how you can stop telephone fraud, whether it’s cross-border or cross-town:



Don’t fall for a promise. Telephone solicitations that require an up-front fee for advance-fee loans, unidentified investment opportunities or prize promotions are against U.S. law.

 Ignore offers to buy tickets in a foreign-based lottery, no matter how tempting they are. Except for legitimate state lotteries, it is a violation of U.S. law to purchase lottery tickets by phone or mail.

 Keep your credit card and bank account numbers to yourself. Don't tell them to anyone who asks during an unsolicited sales pitch.

 If you don't recognize a telephone area code, check it out in your telephone directory. Keep this list of Canadian and Caribbean area codes near your telephone book for reference.

To report telemarketing fraud, contact your state Attorney General. For more information about telephone fraud and your rights under the Telemarketing Sales Rule, write to Consumer Response Center, Federal Trade Commission, Washington, D.C. 20580.

You also may wish to contact the FTC about your complaint. Although the FTC cannot represent you directly in a dispute with a company, it can act when it sees a pattern of possible law violation. Contact the Consumer Response Center by phone, toll-free at 1-877-FTC-HELP (382-4357); TDD: 202-326-2502; by mail: Consumer Response Center, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580; or by e-mail: use the complaint form at www.ftc.gov.

Canada

604 British Columbia
250 British Columbia
403 Alberta
306 Saskatchewan
204 Manitoba
519 Ontario-Windsor/London
807 Ontario-Fort William/Thunder Bay
705 Ontario-North Bay/Sault Ste. Marie
905 Ontario-Hamilton/Mississauga
416 Toronto
613 Ottawa/Kingston
819 Quebec-Sherbrooke/Trois-Rivieres
418 Quebec City
514 Montreal

506 New Brunswick
709 Newfoundland
902 Nova Scotia and Prince Edward Island

Caribbean

809 Caribbean islands